

Almira Township

Benzie County, Michigan

Audited Financial Statements

For the Year Ended March 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

| | | | |
|---|--------------------------------|---|-------------------------|
| Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Government Name Almira Township | County Benzie |
| Audit Date 3/31/04 | Opinion Date 8/12/04 | Date Accountant Report Submitted to State: 11/30/04 | |

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

| | Enclosed | To Be Forwarded | Not Required |
|---|----------|-----------------|--------------|
| The letter of comments and recommendations. | ✓ | | |
| Reports on individual federal financial assistance programs (program audits). | | | ✓ |
| Single Audit Reports (ASLGU). | | | ✓ |

Certified Public Accountant (Firm Name)

J L Stephan Co, PC

Street Address

862 E. Eighth St.

City

Traverse City

State

MI

ZIP

49686

Accountant Signature

J L Stephan Co

Date

12-2-04

Table of Contents

| | <u>Page</u> |
|--|-------------|
| INTRODUCTORY SECTION | |
| <u>Comments and Recommendations</u> | 1-3 |
| FINANCIAL SECTION | |
| <u>Independent Auditor's Report</u> | 4 |
| <u>Financial Statements</u> | |
| Exhibit | |
| A Combined Balance Sheet – Modified Cash Basis - All Fund Types and Account Groups | 5 |
| B Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis - All Governmental Fund Types | 6 |
| C Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Modified Cash Basis - General and Special Revenue Fund Types | 7 |
| <u>Notes to the Financial Statements</u> | 8-12 |
| SUPPLEMENTAL DATA SECTION | |
| <u>Schedules</u> | |
| 1 <u>General Fund</u> - Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis | 13-17 |
| 2 <u>Special Revenue Funds</u> - Combining Balance Sheet – Modified Cash Basis | 18 |
| 3 <u>Special Revenue Funds</u> - Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis | 19 |
| 4 <u>Fire and EMS Fund</u> - Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis | 20-21 |
| 5 <u>Park and Recreation Fund</u> – Statement of Revenues Expenditures and Changes in Fund Balance - Modified Cash Basis | 22 |

Table of Contents

SUPPLEMENTAL DATA SECTION – continued

| | | |
|---|--|----|
| 6 | <u>Ransom Lake Stewardship Fund</u> - Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis | 23 |
| 7 | <u>Fire and EMS Building Debt Service Fund</u> – Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis | 24 |
| 8 | <u>Fire and EMS Building Fund</u> - Statement of Revenues, Expenditures and Changes in Fund Balance – Modified Cash Basis | 25 |
| 9 | <u>Fiduciary Funds</u> - Statement of Assets and Liabilities | 26 |

INTRODUCTORY SECTION

Almira Township
Comments and Recommendations
March 31, 2004

We have audited the financial statements of Almira Township, Benzie County, for the year ended March 31, 2004 and issued our report thereon dated August 12, 2004. As part of our examination, we studied and evaluated the Township's internal control structure. Because the study and evaluation were only part of the overall audit plan regarding the financial statements, our study was more limited than would be necessary to express an opinion on the system of internal control taken as a whole. Accordingly, we do not express an opinion on the system of internal control of the Township taken as a whole.

However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the AICPA. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment could adversely affect the unit's ability to record, process, summarize, and report data consistent with the assertions of management in the financial statements.

General Fixed Asset Inventory

The Township does not maintain a complete general fixed asset inventory. An inventory should be taken of all major assets owned by the Township. We recommend a detailed inventory list of the general fixed assets, including the original cost and purchase date, be maintained. The cost and purchase date should be added to the inventory as assets are purchased. We suggest a capitalization limit be set at \$1,000. All expenditures less than \$1,000 should be expensed.

General Ledger Procedures

The Park Fund and Fire Fund payroll entries are debiting the liability accounts instead of crediting the accounts. It appears this has been occurring since May of 2003. We recommend the Clerk tie out the payroll liability accounts with each payment of payroll liabilities. Accounts payable aging report or payable summary report should be printed, tied out, and reconciled to the general ledger balance monthly.

The general journal descriptions; such as "final fix ", 2nd final fix ", "last final fix", and "to cover park", made it difficult to trace to source documents. It appears budget amendments were improperly entered as journal entries to the general ledger. We recommend the Clerk keep a notebook of all general journal entries with detailed explanations and all supporting documentation attached.

The above items required additional analysis to complete our audit and should be watched carefully in the future.

Billings and Collections

The Township lacks a system of internal controls for ambulance billings and collections. We recommend establishing procedures to track, oversee and reconcile billings and receipts.

Almira Township
Comments and Recommendations
March 31, 2004

We offer the following comments and recommendations in a continuing effort to enhance internal control and improve the accounting system, financial reporting, and overall management.

Budgeting

We noted in the board minutes that several budget amendments were made during the fiscal year. However, we found it difficult to trace the amendments through the Township's computer records to the final amended budget on the revenue and expenditure report. We recommend that the Clerk keep a budget work copy, which starts with the original budget adopted by the Board and shows each amendment made and the final year-end amended budget.

We noted the budget resolutions for fiscal years 2003-04 and 2004-05 do not match the budget detail. We recommend the Board correct the 2004-05 resolution and sign the official copy of the budget detail.

We commend the Board for its continued care and effort in monitoring the budget. However, there were two activities in the General Fund and one in the Fire and EMS Fund in which expenditures exceeded the amount budgeted. We believe by adopting these recommendations and with the Board's continued diligence with budget maintenance, future budgeting issues will be minimized.

Debt Payments

Debt payments for the new fire and EMS building were made from three different funds. We recommend all payments be made from the Fire and EMS Building Debt Service Fund and make operating transfers from other funds as needed.

Account Coding

We noted the general ledger and chart of accounts show funds 814 and 900. These are not actual funds in the Michigan Uniform Chart of Accounts and we recommend eliminating these if possible. Additionally, planning and zoning have new activity numbers under the new GASB 34 reporting chart of accounts. We recommend reviewing the Township's current chart of accounts and modify it as needed to conform to the new state chart of accounts.

Account 211-000-420 in the Fire & EMS Fund has been used as a catchall account to wash numerous transactions. We recommend not using this account in this way.

We noted that expenditures are not consistently classified between building repairs and capital outlay items. Expenditures that significantly expand the useful life or increase the value of an existing asset should be classified as a capital outlay and added to the fixed asset inventory.

Finally, we recommend establishing a new activity for Capital Outlay to match the new chart of accounts and ease in facilitating the conversion to GASB 34.

Almira Township
Comments and Recommendations
March 31, 2004

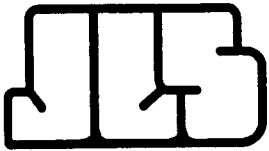
Bank Reconciliation

The Treasurer currently prepares monthly bank reconciliations as of the date they are prepared. We recommend that the reconciliations be completed as of the last day of the month. This will result in substantially fewer reconciling items to track audit trail and make it easier to reconcile to the general ledger account balances.

Closing Comments

We will be happy to discuss any of these recommendations with you and assist in their implementation. As a matter of course, we will forward the necessary copies of this audit report to the State Treasury Department. We appreciate the courtesy extended to our field auditors in the conduct of this audit engagement. Should any questions arise concerning this audit report or the conduct of our audit, please call upon us.

FINANCIAL SECTION



J L Stephan Co PC

Certified Public Accountants

Jerry L. Stephan, CPA
John P. Morse, CPA

Marty Szasz, CPA
David Skibowski, Jr., CPA

Independent Auditor's Report

To the Township Board
Almira Township
7276 Ole White Drive
Lake Ann, MI 49650

We have audited the accompanying general purpose financial statements of Almira Township, Benzie County, Michigan, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to examine evidence to support the balances of the fixed assets reported in the financial statement for the General Fixed Asset Account Group because a complete list of the Township's fixed assets was unavailable.

In our opinion, except for the effects of such adjustment, if any, as might have been determined to be necessary had we been able to audit the fixed assets of the General Fixed Asset Account Group, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Almira Township, Benzie County, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying financial information listed as Supplemental Data in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Almira Township. This information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

J L Stephan Co PC

August 12, 2004

Almira Township
Combined Balance Sheet
Modified Cash Basis
All Fund Types and Account Groups
March 31, 2004

Exhibit A

| | Governmental Fund Types | | | | Fiduciary Fund Type | Account Groups | | Totals (Memo Only) |
|--|-------------------------|-----------------------------|----------------------|----------------------------|------------------------|----------------------------|------------------------------|-----------------------|
| | General Fund | Special Revenue Funds | Debt Service Fund | Capital Project Fund | Agency Funds | General Fixed Assets | General Long-Term Debt | |
| Assets | | | | | | | | |
| Cash in Bank | \$ 200,267 | \$ 462,188 | \$ 76,777 | \$ 52,862 | \$ 1 | \$ - | \$ - | \$ 792,095 |
| Due from Other Units | - | - | - | - | - | - | - | - |
| Property and Equipment | - | - | - | - | - | 3,438,137 | - | 3,438,137 |
| Amount Available for Debt | - | - | - | - | - | - | 76,777 | 76,777 |
| Amount to be Provided for Debt | - | - | - | - | - | - | 847,045 | 847,045 |
| Total Assets | <u>\$ 200,267</u> | <u>\$ 462,188</u> | <u>\$ 76,777</u> | <u>\$ 52,862</u> | <u>\$ 1</u> | <u>\$ 3,438,137</u> | <u>\$ 923,822</u> | <u>\$ 5,154,054</u> |
| Liabilities and Fund Equity | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts Payable | \$ 596 | \$ 3,464 | \$ - | \$ (15) | \$ - | \$ - | \$ - | \$ 4,045 |
| Due to Other Units | - | - | - | - | 1 | - | - | 1 |
| Due to Others | - | - | - | - | - | - | - | - |
| Deferred Revenue | - | - | - | - | - | - | - | - |
| Loan Payable | - | - | - | - | - | - | 923,822 | 923,822 |
| Total Liabilities | 596 | 3,464 | - | (15) | 1 | - | 923,822 | 927,868 |
| Fund Equity | | | | | | | | |
| Investment in General Fixed Assets | - | - | - | - | - | 3,438,137 | - | 3,438,137 |
| Fund Balances - Unreserved | 199,671 | 458,724 | 76,777 | 52,877 | - | - | - | 788,049 |
| Fund Balance - Reserved | - | - | - | - | - | - | - | - |
| Total Fund Equity | <u>199,671</u> | <u>458,724</u> | <u>76,777</u> | <u>52,877</u> | <u>-</u> | <u>3,438,137</u> | <u>-</u> | <u>4,226,186</u> |
| Total Liabilities and Fund Equity | <u>\$ 200,267</u> | <u>\$ 462,188</u> | <u>\$ 76,777</u> | <u>\$ 52,862</u> | <u>\$ 1</u> | <u>\$ 3,438,137</u> | <u>\$ 923,822</u> | <u>\$ 5,154,054</u> |

See Accompanying Notes to Financial Statements

Almira Township

Exhibit B

Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Modified Cash Basis

All Governmental Fund Types

For the Year Ended March 31, 2004

| | General Fund | Special Revenue Funds | Debt Service Fund | Capital Project Fund | Totals (Memo Only) |
|---|-------------------|-----------------------------|-------------------------|----------------------------|-----------------------|
| <i>Revenues</i> | | | | | |
| Taxes | \$ 108,200 | \$ 150,692 | \$ 109,207 | \$ 9,473 | \$ 377,572 |
| Licenses & Permits | 8,270 | - | - | - | 8,270 |
| State Shared Revenue | 181,053 | 50,000 | - | - | 231,053 |
| Contributions from Local Units | - | 10,500 | - | - | 10,500 |
| Charges for Services | 4,237 | 50,424 | - | - | 54,661 |
| Interest and Rentals | 4,530 | 4,131 | 66 | 6,382 | 15,109 |
| Other Revenue | 9,563 | 5,368 | - | - | 14,931 |
| <i>Total Revenues</i> | <u>315,853</u> | <u>271,115</u> | <u>109,273</u> | <u>15,855</u> | <u>712,096</u> |
| <i>Expenditures</i> | | | | | |
| General Government | 303,884 | - | - | - | 303,884 |
| Public Safety | - | 163,376 | - | 1,012,995 | 1,176,371 |
| Public Works | 7,478 | - | - | - | 7,478 |
| Community and Economic Development | 23,891 | - | - | - | 23,891 |
| Recreation & Culture | 5,971 | 35,130 | - | - | 41,101 |
| Other Functions | 88 | - | - | - | 88 |
| Debt Service | - | 21,664 | 32,496 | 43,683 | 97,843 |
| <i>Total Expenditures</i> | <u>341,312</u> | <u>220,170</u> | <u>32,496</u> | <u>1,056,678</u> | <u>1,650,656</u> |
| <i>Excess Revenues (Expenditures)</i> | <u>(25,459)</u> | <u>50,945</u> | <u>76,777</u> | <u>(1,040,823)</u> | <u>(938,560)</u> |
| <i>Other Financing Sources (Uses)</i> | | | | | |
| Operating Transfers In | 5,919 | - | - | - | 5,919 |
| Operating Transfers (Out) | - | (3,710) | - | (2,209) | (5,919) |
| Debt Proceeds | - | - | - | 995,000 | 995,000 |
| <i>Total Other Financing Sources (Uses)</i> | <u>5,919</u> | <u>(3,710)</u> | <u>-</u> | <u>992,791</u> | <u>995,000</u> |
| <i>Excess Revenues & Other Sources Over (Under)</i> | | | | | |
| <i>Expenditures & Other Uses</i> | <u>(19,540)</u> | <u>47,235</u> | <u>76,777</u> | <u>(48,032)</u> | <u>56,440</u> |
| Fund Balance - Beginning of Year | <u>219,211</u> | <u>411,489</u> | <u>-</u> | <u>100,909</u> | <u>731,609</u> |
| Fund Balance - End of Year | <u>\$ 199,671</u> | <u>\$ 458,724</u> | <u>\$ 76,777</u> | <u>\$ 52,877</u> | <u>\$ 788,049</u> |

See Accompanying Notes to Financial Statements

Almira Township

Combined Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Modified Cash Basis General and Special Revenue Fund Types For the Year Ended March 31, 2004

Exhibit C

| | General Fund | | | Special Revenue Funds | | |
|---|--------------------|-------------------|----------------------------|-----------------------|-------------------|----------------------------|
| | Budget | Actual | Favorable (Unfavorable) | Budget | Actual | Favorable (Unfavorable) |
| Revenues | | | | | | |
| Taxes | \$ 98,914 | \$ 108,200 | \$ 9,286 | \$ 137,624 | \$ 150,692 | \$ 13,068 |
| Licenses & Permits | 6,000 | 8,270 | 2,270 | - | - | - |
| State Shared Revenue | 196,725 | 181,053 | (15,672) | 50,000 | 50,000 | - |
| Contributions from Local Units | - | - | - | 4,500 | 10,500 | 6,000 |
| Charges for Services | 2,200 | 4,237 | 2,037 | 35,117 | 50,424 | 15,307 |
| Interest and Rentals | 2,500 | 4,530 | 2,030 | 5,000 | 4,131 | (869) |
| Other Revenue | - | 9,563 | 9,563 | 1,500 | 5,368 | 3,868 |
| Total Revenues | 306,339 | 315,853 | 9,514 | 233,741 | 271,115 | 37,374 |
| Expenditures | | | | | | |
| General Government | 313,470 | 303,884 | 9,586 | - | - | - |
| Public Safety | - | - | - | 192,544 | 163,376 | 29,168 |
| Public Works | 7,500 | 7,478 | 22 | - | - | - |
| Community and Economic Development | 31,615 | 23,891 | 7,724 | - | - | - |
| Recreation & Culture | 6,934 | 5,971 | 963 | 86,762 | 35,130 | 51,632 |
| Other Functions | 275 | 88 | 187 | - | - | - |
| Debt Service | - | - | - | - | 21,664 | (21,664) |
| Total Expenditures | 359,794 | 341,312 | 18,482 | 279,306 | 220,170 | 59,136 |
| Excess Revenues (Expenditures) | (53,455) | (25,459) | 27,996 | (45,565) | 50,945 | 96,510 |
| Other Financing Sources (Uses) | | | | | | |
| Operating Transfers In | 5,955 | 5,919 | (36) | - | - | - |
| Operating Transfers (Out) | - | - | - | (3,710) | (3,710) | - |
| Debt Proceeds | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | 5,955 | 5,919 | (36) | (3,710) | (3,710) | - |
| Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses | \$ (47,500) | (19,540) | \$ 27,960 | \$ (49,275) | 47,235 | \$ 96,510 |
| Fund Balance - Beginning of Year | | 219,211 | | | 411,489 | |
| Fund Balance - End of Year | | \$ 199,671 | | | \$ 458,724 | |

See Accompanying Notes to Financial Statements

Almira Township
Notes to Financial Statements
March 31, 2004

Note 1 - Description of Operations and Fund Types

Almira Township is a common law township as defined by the laws of the State of Michigan. An elected Supervisor and Township Board govern the Township. The current state taxable value is \$92,077,562.

A. Reporting Entity

The criteria established by Statement 14 of the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements are based primarily on the concept of financial accountability. On this basis, accordingly, the financial statements of certain other organizations are not included in these financial statements.

B. Basis of Presentation

The financial activities of the local unit are recorded in separate funds and account groups, categorized and described as follows:

Governmental Funds

General Fund - This Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, state distributions, and other intergovernmental revenues.

Special Revenue Funds - These Funds are used to account for specific governmental revenues (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Special Revenue Funds currently maintained by the Township are the Fire and EMS Fund, Park Improvement Fund and Ransom Lake Stewardship Fund.

Debt Service Fund - Debt Service Funds account for resources set aside to pay interest and principal on long-term debt. The Fire and EMS Building Debt Service Fund belongs to this category.

Capital Project Fund - Capital Project Funds account for the construction of capital assets funded in whole or part on voter approved long-term general obligation debt other than that payable from special assessments and debt issued for and serviced primarily by an enterprise fund. The Fire and EMS Building Fund belongs in this category.

Fiduciary Funds

Agency Funds - Agency Funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Tax Collection Fund and the Trust and Agency Fund belong to this fund group.

Almira Township
Notes to Financial Statements
March 31, 2004

Note 1 - Description of Operations and Fund Types - continued

Account Groups

General Fixed Assets Account Group - This Account Group presents the fixed assets of the local unit utilized in its general operations (non-proprietary fixed assets).

General Long-Term Debt - This Account Group presents the general obligation long-term debt of the Township not accounted for in a Proprietary Fund.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Accounting

The Township maintains its accounting records using the modified cash basis method of accounting. Accordingly, revenues are recorded when received and certain expenditures are recorded when paid. Agency Funds recognize assets and liabilities on the modified accrual basis.

The general fixed asset account group and the general long-term debt group are not funds. They are concerned only with the measurement of financial position, and are not involved with measuring the results of operations.

B. Budgets

The General Fund and Special Revenue Fund types are under formal budgetary control. Budgets shown in the financial statements for these funds were prepared on a basis not significantly different from the modified accrual basis used to reflect actual results and consist only of those amounts contained in the formal budget approved and amended by the Township.

In the body of the combined financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a function basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

Encumbrance accounting is not used and appropriations normally lapse at year-end.

C. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are excluded from general fixed assets as such items are immovable and of value only to the Township. No depreciation has been provided on general fixed assets. Fixed Assets are recorded at historical cost. Donated fixed assets are valued at the fair market value as of the date received.

D. Property Taxes

The Township collects property taxes between December 1 and February 29. Any uncollected real property taxes that become delinquent March 1 are purchased (paid) by Benzie County approximately 90 days after the Township's year-end.

Almira Township
Notes to Financial Statements
March 31, 2004

Note 2 - Summary of Significant Accounting Policies – continued

E. Total Column

The total column on the financial statements is captioned (Memo Only) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Note 3 - Material Violations of Legal and Contractual Provisions

Budget Compliance

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated for Governmental Fund types. During the year ended March 31, 2004, the Township had expenditures in excess of amounts appropriated as follows:

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|---------------|---------------|-----------------|
| General Fund, Township Hall | \$ 23,680 | \$ 29,677 | \$ (5,997) |
| General Fund, Cemetery | 7,600 | 10,553 | (2,953) |
| Fire and EMS Fund, Debt Service | - | 21,664 | (21,664) |

Note 4 - Deposits with Financial Institutions

A. Legal or Contractual Provisions for Deposits and Investments

The Michigan Political Subdivisions Act No. 20, Public Acts of 1943, as amended by act No. 217, Public Acts of 1982 and Public Act 196 of 1997, states the Township, by resolution, may authorize the Treasurer to invest surplus funds as follows:

1. In bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution which is a member of the Federal Deposit Insurance Corporation or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation or a credit union which is insured by the National Credit Union Administration, but only if the bank, savings and loan association, or credit union meeting all criteria as a depository of public funds contained in state law.
3. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase.
4. In United States government or Federal agency obligation repurchase agreements.

Almira Township
Notes to Financial Statements
March 31, 2004

Note 4 - Deposits with Financial Institutions – continued

5. In banker's acceptances of United States banks.
6. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

B. Types of Deposits and Investments

The Township maintains all its surplus funds with a local bank in the form of savings/checking accounts and certificates of deposit. Interpreting the FDIC insurance coverage of \$100,000 per deposit to apply to the total savings/time deposits separately from checking/demand deposits for purposes of applying the \$100,000 limit, the total bank balances as of March 31, 2004 appear to be \$200,001 FDIC insured and \$592,093 uninsured for a total of deposits of \$792,094.

Note 5- Risk Management

The Township pays an annual premium to Michigan Municipal Underwriters for its general insurance coverage through the Michigan Township Participating Plan. The Township carries coverage for property damage, liability, wrongful acts, automobile, crime, and inland marine claims. Also, the Township carries worker's compensation insurance with Michigan Municipal Liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 6 - Summary of Fixed Assets

General Fixed Asset Account Group - Fixed assets in the General Fixed Asset Group of Accounts as of March 31, 2004, are summarized as follows:

| | <i>Beginning Balance</i> | <i>Additions</i> | <i>Deletions</i> | <i>Ending Balance</i> |
|-------------------|------------------------------|--------------------|------------------|---------------------------|
| Land | \$1,019,162 | \$ - | \$ - | \$1,019,162 |
| Building | 278,314 | 1,070,800 | - | 1,349,114 |
| Equipment | 402,364 | 13,677 | - | 416,041 |
| Park Improvements | 94,156 | - | - | 94,156 |
| Ambulance | 81,602 | - | - | 81,602 |
| Fire Trucks | 478,062 | - | - | 478,062 |
| Total | <u>\$2,353,660</u> | <u>\$1,084,477</u> | <u>\$ -</u> | <u>\$3,438,137</u> |

Almira Township
Notes to Financial Statements
March 31, 2004

Note 7 - Long-Term Debt

The following is a summary of debt transactions for the year ended March 31, 2004:

| | Notes Payable EMS Bldg |
|--------------------|---------------------------|
| Beginning Balance | \$ - |
| New Borrowing | 995,000 |
| Principle Payments | <u>71,178</u> |
| Ending Balance | <u>\$ 923,822</u> |

A. Notes Payable

In July 2003, the Township entered into a loan with Huntington Bank for the construction of a new emergency services building. The note requires 108 monthly payments of \$10,832 including interest beginning August 1, 2003, with a fixed interest rate of 3.67%.

Future payments under the installment loan for fiscal year ending March 31:

| <u>Year</u> | |
|----------------|-------------------|
| 2005 | \$ 129,985 |
| 2006 | 129,985 |
| 2007 | 129,985 |
| 2008 | 129,985 |
| 2009 | 129,985 |
| 2010-13 | <u>422,450</u> |
| Total Payments | 1,072,375 |
| Less: Interest | <u>148,553</u> |
| | <u>\$ 923,822</u> |

Note 8 - Pension Plan

The Township participates in a "Defined Contribution Money Purchase Pension Plan" through Travelers Insurance Co. and USG Annuity & Life Co. The Township is responsible for the administration of the Plan and is assisted by Municipal Retirement Systems, Inc., who sponsors the plan. Eligibility and contributions to the Plan are determined by a formula: 7.5% of gross W-2 earnings greater than or equal to \$25.00. Township contributions to the plan for the fiscal year ending March 31, 2004, totaled \$12,048.

SUPPLEMENTAL DATA SECTION

Almira Township

Schedule 1

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Modified Cash Basis

For the Year Ended March 31, 2004

| | Budget | Actual | Favorable (Unfavorable) |
|-------------------------------|-----------|-----------|----------------------------|
| <i>Revenues</i> | | | |
| Property Taxes | \$ 71,592 | \$ 76,892 | \$ 5,300 |
| Swamp Tax | 5,400 | 5,445 | 45 |
| Commercial Forest | 100 | 17 | (83) |
| Penalties and Interest | 900 | 881 | (19) |
| Property Tax Admin Fee | 20,922 | 24,965 | 4,043 |
| S.E.T. State Reimbursement | 6,500 | 6,338 | (162) |
| Licenses & Permits | 6,000 | 8,270 | 2,270 |
| State Shared Revenue | 190,225 | 174,715 | (15,510) |
| Contributions Other Units | - | - | - |
| Charges for Service | 2,200 | 4,237 | 2,037 |
| Interest Earned | 1,500 | 1,765 | 265 |
| Rents and Royalties | 1,000 | 2,765 | 1,765 |
| Donations | - | 1,044 | 1,044 |
| Reimbursements | - | 5,970 | 5,970 |
| Miscellaneous | - | 2,549 | 2,549 |
| <i>Total Revenues</i> | 306,339 | 315,853 | 9,514 |
| <i>Expenditures</i> | | | |
| General Government | | | |
| Township Board | | | |
| Salaries & Wages | | 3,672 | |
| Taxes & Benefits | | 12,366 | |
| Legal & Professional Services | | 10,244 | |
| Membership & Dues | | 1,649 | |
| Transportation & Travel | | 155 | |
| Community Promotion | | 889 | |
| Township Clean Up Day | | 2,386 | |
| Printing & Publishing | | 2,750 | |
| Education & Training | | 636 | |
| Insurance & Bonds | | 6,250 | |
| | 43,656 | 40,997 | 2,659 |
| Supervisor | | | |
| Salaries & Wages | | 18,780 | |
| Other | | 231 | |
| | 22,907 | 19,011 | 3,896 |

See Accompanying Notes to Financial Statements

Almira Township

Schedule 1

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Modified Cash Basis

For the Year Ended March 31, 2004

| | Budget | Actual | Favorable (Unfavorable) |
|-------------------------|--------|--------|----------------------------|
| <i>Elections</i> | | | |
| Salaries & Wages | | 807 | |
| Printing & Publishing | | 971 | |
| Other | | 43 | |
| | 7,905 | 1,821 | 6,084 |
| <i>Assessor</i> | | | |
| Salaries & Wages | | 29,620 | |
| Taxes & Benefits | | 5,663 | |
| Office Supplies | | 73 | |
| Professional Services | | 740 | |
| Transportation & Travel | | 434 | |
| Printing & Publishing | | 6,661 | |
| Other | | 154 | |
| Capital Outlay | | 2,500 | |
| | 45,846 | 45,845 | 1 |
| <i>Clerk</i> | | | |
| Salaries & Wages | | 21,249 | |
| Taxes & Benefits | | 1 | |
| Transportation & Travel | | 42 | |
| Education & Training | | 30 | |
| Capital Outlay | | - | |
| | 22,063 | 21,322 | 741 |
| <i>Board of Review</i> | | | |
| Salaries & Wages | | 591 | |
| Education & Training | | - | |
| | 1,000 | 591 | 409 |
| <i>Treasurer</i> | | | |
| Salaries & Wages | | 21,280 | |
| Operating Supplies | | 1,700 | |
| Professional Services | | 785 | |
| Education & Training | | 70 | |
| Transportation & Travel | | 88 | |
| Printing & Publishing | | - | |
| Capital Outlay | | - | |
| | 24,607 | 23,923 | 684 |

See Accompanying Notes to Financial Statements

Almira Township

Schedule 1

General Fund**Statement of Revenues, Expenditures and Changes in Fund Balance****Modified Cash Basis****For the Year Ended March 31, 2004**

| | <i>Budget</i> | <i>Actual</i> | <i>Favorable (Unfavorable)</i> |
|---------------------------------|----------------|----------------|------------------------------------|
| <i>Township Office Building</i> | | | |
| Salaries & Wages | | 3,083 | |
| Office Supplies | | 4,321 | |
| Operating Supplies | | 1,170 | |
| Furnace Fuel | | 917 | |
| Computer Services | | 2,568 | |
| Communications | | 4,459 | |
| Public Utilities | | 1,726 | |
| Building Maintenance | | 3,684 | |
| Outdoor Maintenance | | 500 | |
| Capital Outlay | | 71,423 | |
| | <u>93,863</u> | <u>93,851</u> | <u>12</u> |
| <i>Township Hall</i> | | | |
| Operating Supplies | | 276 | |
| Furnace Fuel | | 1,621 | |
| Community Promotion | | 96 | |
| Public Utilities | | 1,323 | |
| Building Maintenance | | 26,361 | |
| Miscellaneous | | - | |
| | <u>23,680</u> | <u>29,677</u> | <u>(5,997)</u> |
| <i>Township Maintenance</i> | | | |
| Salaries & Wages | | 7,082 | |
| Operating Supplies | | 1,421 | |
| Gasoline & Oil | | 889 | |
| Communications | | 321 | |
| Transportation & Travel | | 305 | |
| Vehicle Maintenance | | 2,453 | |
| Capital Outlay | | 3,822 | |
| | <u>20,343</u> | <u>16,293</u> | <u>4,050</u> |
| <i>Cemetery</i> | | | |
| Services | | 3,900 | |
| Repairs & Maintenance | | 5,803 | |
| Lawn Maintenance | | 850 | |
| Miscellaneous | | - | |
| | <u>7,600</u> | <u>10,553</u> | <u>(2,953)</u> |
| <i>Total General Government</i> | <u>313,470</u> | <u>303,884</u> | <u>9,586</u> |

See Accompanying Notes to Financial Statements

Almira Township

Schedule 1

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Modified Cash Basis

For the Year Ended March 31, 2004

| | <i>Budget</i> | <i>Actual</i> | <i>Favorable (Unfavorable)</i> |
|--|---------------|---------------|------------------------------------|
| Public Works | | | |
| Roads | <u>7,500</u> | <u>7,478</u> | <u>22</u> |
| | 7,500 | 7,478 | 22 |
| Community and Economic Development | | | |
| <i>Planning Commission</i> | | | |
| Salaries & Wages | | 3,842 | |
| Operating Supplies | | - | |
| Professional Services | | 2,658 | |
| Printing & Publishing | | 1,053 | |
| Education & Training | | - | |
| Miscellaneous | | - | |
| | <u>13,910</u> | <u>7,553</u> | <u>6,357</u> |
| <i>Zoning Board of Appeals</i> | | | |
| Salaries & Wages | | 564 | |
| Printing & Publishing | | 403 | |
| | <u>1,700</u> | <u>967</u> | <u>733</u> |
| <i>Zoning Administrator</i> | | | |
| Salaries & Wages | | 14,640 | |
| Operating Supplies | | - | |
| Professional Services | | - | |
| Physicals | | 180 | |
| Transportation & Travel | | 421 | |
| Education & Training | | 130 | |
| Miscellaneous | | - | |
| | <u>16,005</u> | <u>15,371</u> | <u>634</u> |
| <i>Total Community and Economic Dev.</i> | 31,615 | 23,891 | 7,724 |
| Recreation and Culture | | | |
| <i>Ransom Lake</i> | | | |
| Operating Supplies | | 345 | |
| General Maintenance | | 155 | |
| Capital Outlay | | | |
| | <u>500</u> | <u>500</u> | <u>-</u> |
| <i>Lakes</i> | 500 | 500 | - |

See Accompanying Notes to Financial Statements

Almira Township

Schedule 1

*General Fund**Statement of Revenues, Expenditures and Changes in Fund Balance**Modified Cash Basis**For the Year Ended March 31, 2004*

| | <i>Budget</i> | <i>Actual</i> | <i>Favorable (Unfavorable)</i> |
|---|--------------------|-------------------|------------------------------------|
| <i>Library</i> | | | |
| Salaries & Wages | | 3,308 | |
| Taxes & Benefits | | 1,657 | |
| Books and Supplies | | 6 | |
| | <u>5,934</u> | <u>4,971</u> | <u>963</u> |
| <i>Total Recreation and Culture</i> | <u>6,934</u> | <u>5,971</u> | <u>963</u> |
| <i>Other Functions</i> | | | |
| Miscellaneous | 275 | 88 | 187 |
| Contingency | - | - | - |
| | <u>275</u> | <u>88</u> | <u>187</u> |
| <i>Total Other Functions</i> | <u>275</u> | <u>88</u> | <u>187</u> |
| <i>Total Expenditures</i> | <u>359,794</u> | <u>341,312</u> | <u>21,141</u> |
| <i>Excess Revenues (Expenditures)</i> | <u>(53,455)</u> | <u>(25,459)</u> | <u>27,996</u> |
| <i>Other Financing Sources (Uses)</i> | | | |
| Operating Transfers In | 5,955 | 5,919 | (36) |
| Operating Transfers (Out) | - | - | - |
| | <u>5,955</u> | <u>5,919</u> | <u>(36)</u> |
| <i>Total Other Financing Sources (Uses)</i> | <u>5,955</u> | <u>5,919</u> | <u>(36)</u> |
| <i>Excess Revenues & Other Sources Over (Under) Expenditures & Other Uses</i> | <u>\$ (47,500)</u> | <u>(19,540)</u> | <u>\$ 27,960</u> |
| <i>Fund Balance - Beginning of Year</i> | | <u>219,211</u> | |
| | | <u>\$ 199,671</u> | |

See Accompanying Notes to Financial Statements

Almira Township
Special Revenue Funds
Combining Balance Sheet
Modified Cash Basis
March 31, 2004

Schedule 2

| | <i>Fire and EMS Fund</i> | <i>Park Improvement Fund</i> | <i>Ransom Lake Stewardship Fund</i> | <i>Totals</i> |
|---------------------------------------|------------------------------|--------------------------------------|---|-------------------|
| Assets | | | | |
| Cash in Bank | \$ 399,420 | \$ 31,153 | \$ 31,615 | \$ 462,188 |
| Taxes Receivable | - | - | - | - |
| Accounts Receivable | - | - | - | - |
| Due From Other Funds | - | - | - | - |
| Total Assets | \$ 399,420 | \$ 31,153 | \$ 31,615 | \$ 462,188 |
| Liabilities & Fund Equity | | | | |
| <i>Liabilities</i> | | | | |
| Accounts Payable | \$ 3,464 | \$ - | \$ - | \$ 3,464 |
| Deferred Revenue | - | - | - | - |
| Due to Other Funds | - | - | - | - |
| Total Liabilities | 3,464 | - | - | 3,464 |
| <i>Fund Equity</i> | | | | |
| Fund Balance | 395,956 | 31,153 | 31,615 | 458,724 |
| Total Fund Equity | 395,956 | 31,153 | 31,615 | 458,724 |
| Total Liabilities & Equity | \$ 399,420 | \$ 31,153 | \$ 31,615 | \$ 462,188 |

See Accompanying Notes to Financial Statements

Almira Township
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

Schedule 3

| | <i>Fire and EMS Fund</i> | <i>Park Improvement Fund</i> | <i>Ransom Lake Stewardship Fund</i> | <i>Totals</i> |
|--|------------------------------|--------------------------------------|---|-------------------|
| <i>Revenues</i> | | | | |
| Property Taxes | \$ 126,806 | \$ 23,886 | \$ - | \$ 150,692 |
| State Grants | - | - | 50,000 | 50,000 |
| Contributions Local Units | 10,500 | - | - | 10,500 |
| Charges for Services | 50,424 | - | - | 50,424 |
| Interest | 3,770 | 160 | 201 | 4,131 |
| Donations | 2,740 | - | 582 | 3,322 |
| Other | 1,459 | 587 | - | 2,046 |
| <i>Total Revenues</i> | <u>195,699</u> | <u>24,633</u> | <u>50,783</u> | <u>271,115</u> |
| <i>Expenditures</i> | | | | |
| Public Safety | 163,376 | - | - | 163,376 |
| Public Works | - | - | - | - |
| Recreation & Culture | - | 16,062 | 19,068 | 35,130 |
| Debt Service | 21,664 | - | - | 21,664 |
| <i>Total Expenditures</i> | <u>185,040</u> | <u>16,062</u> | <u>19,068</u> | <u>220,170</u> |
| <i>Excess Revenues (Expenditures)</i> | 10,659 | 8,571 | 31,715 | 50,945 |
| <i>Other Financing Sources (Uses)</i> | | | | |
| Operating Transfer In | - | - | - | - |
| Operating Transfer (Out) | (3,155) | (455) | (100) | (3,710) |
| Proceeds from Issuance of Debt | - | - | - | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>(3,155)</u> | <u>(455)</u> | <u>(100)</u> | <u>(3,710)</u> |
| <i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i> | 7,504 | 8,116 | 31,615 | 47,235 |
| Fund Balance - Beginning of Year | <u>388,452</u> | <u>23,037</u> | <u>-</u> | <u>411,489</u> |
| Fund Balance - End of Year | <u>\$ 395,956</u> | <u>\$ 31,153</u> | <u>\$ 31,615</u> | <u>\$ 458,724</u> |

See Accompanying Notes to Financial Statements

Almira Township

Schedule 4

Fire and EMS Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Modified Cash Basis

For the Year Ended March 31, 2004

| | Budget | Actual | Favorable (Unfavorable) |
|---------------------------------------|-----------------|----------------|----------------------------|
| <i>Revenues</i> | | | |
| Property Taxes | \$ 115,377 | \$ 126,806 | \$ 11,429 |
| Contributions - Local Units | 4,500 | 10,500 | 6,000 |
| Charges for Services | 35,117 | 50,424 | 15,307 |
| Earned Interest | 5,000 | 3,770 | (1,230) |
| Donations | 1,500 | 2,740 | 1,240 |
| Other | - | 1,459 | 1,459 |
| <i>Total Revenues</i> | <u>161,494</u> | <u>195,699</u> | <u>34,205</u> |
| <i>Expenditures</i> | | | |
| Salaries and Wages | 47,310 | 39,117 | 8,193 |
| Taxes & Benefits | 4,033 | 2,570 | 1,463 |
| Office Supplies | 3,000 | 2,813 | 187 |
| Supplies & Uniforms | 12,525 | 6,102 | 6,423 |
| Furnace Fuel | 3,500 | 6,500 | (3,000) |
| Gasoline & Oil | 1,000 | 1,832 | (832) |
| Professional Services | 3,000 | 11,440 | (8,440) |
| Fire Dept Physicals | 6,000 | 5,608 | 392 |
| Advanced Life Support Service | 3,000 | - | 3,000 |
| Membership & Dues | 900 | 280 | 620 |
| Communications | 2,500 | 1,961 | 539 |
| Transportation & Travel | 1,500 | 1,553 | (53) |
| Community Promotion | 1,500 | 741 | 759 |
| Printing and Publishing | 500 | 229 | 271 |
| Insurance & Bonds | 15,000 | 16,826 | (1,826) |
| Utilities | 3,500 | 2,230 | 1,270 |
| Repairs & Maintenance | 51,405 | 15,995 | 35,410 |
| Education & Training | 4,500 | 3,536 | 964 |
| Miscellaneous | 2,871 | 2,117 | 754 |
| Capital Outlay | 25,000 | 41,926 | (16,926) |
| Debt Service - Principle | - | 15,364 | (15,364) |
| Debt Service - Interest | - | 6,300 | (6,300) |
| <i>Total Fire Expenditures</i> | <u>192,544</u> | <u>185,040</u> | <u>7,504</u> |
| <i>Excess Revenues (Expenditures)</i> | <u>(31,050)</u> | <u>10,659</u> | <u>41,709</u> |

See Accompanying Notes to Financial Statements

Almira Township

Schedule 4

*Fire and EMS Fund**Statement of Revenues, Expenditures and Changes in Fund Balance**Modified Cash Basis**For the Year Ended March 31, 2004*

| | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable)</u> |
|--|--------------------|-------------------|------------------------------------|
| <i>Other Financing Sources (Uses)</i> | | | |
| Operating Transfer In | - | - | - |
| Operating Transfer (Out) | <u>(3,155)</u> | <u>(3,155)</u> | <u>-</u> |
| <i>Total Other Financing Sources (Uses)</i> | <u>(3,155)</u> | <u>(3,155)</u> | <u>-</u> |
| <i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i> | <u>\$ (34,205)</u> | 7,504 | <u>\$ 41,709</u> |
| Fund Balance - Beginning of Year | | <u>388,452</u> | |
| Fund Balance - End of Year | | <u>\$ 395,956</u> | |

See Accompanying Notes to Financial Statements

Almira Township
Park and Recreation Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

Schedule 5

| | <i>Budget</i> | <i>Actual</i> | <i>Favorable (Unfavorable)</i> |
|--|---------------|------------------|------------------------------------|
| <i>Revenues</i> | | | |
| Property Taxes | \$ 22,247 | \$ 23,886 | \$ 1,639 |
| Interest | - | 160 | 160 |
| Other | - | 587 | 587 |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Revenues</i> | 22,247 | 24,633 | 2,386 |
| <i>Expenditures</i> | | | |
| Wages | 10,300 | 10,289 | 11 |
| Fringe Benefits | 928 | 916 | 12 |
| Supplies | 4,200 | 2,434 | 1,766 |
| Repairs and Maintenance | 1,800 | 1,074 | 726 |
| Taxes Refundable | - | 1 | (1) |
| Miscellaneous | 1,564 | 148 | 1,416 |
| Capital Outlay | 3,000 | 1,200 | 1,800 |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Expenditures</i> | 21,792 | 16,062 | 5,730 |
| <i>Excess Revenues (Expenditures)</i> | 455 | 8,571 | 8,116 |
| <i>Other Financing Sources (Uses)</i> | | | |
| Operating Transfer In | - | - | - |
| Operating Transfer (Out) | (455) | (455) | - |
| | <hr/> | <hr/> | <hr/> |
| <i>Total Other Financing Sources (Uses)</i> | (455) | (455) | - |
| <i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i> | <u>\$ -</u> | 8,116 | <u>\$ 8,116</u> |
| <i>Fund Balance - Beginning of Year</i> | | <u>23,037</u> | |
| <i>Fund Balance - End of Year</i> | | <u>\$ 31,153</u> | |

See Accompanying Notes to Financial Statements

Almira Township
Ransom Lake Stewardship Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

Schedule 6

| | <i>Budget</i> | <i>Actual</i> | <i>Favorable (Unfavorable)</i> |
|--|--------------------|------------------|------------------------------------|
| <i>Revenues</i> | | | |
| Property Taxes | \$ - | \$ - | \$ - |
| State Grant | 50,000 | 50,000 | - |
| Interest | - | 201 | 201 |
| Donations | - | 582 | 582 |
| Other | - | - | - |
| <i>Total Revenues</i> | <u>50,000</u> | <u>50,783</u> | <u>783</u> |
| <i>Expenditures</i> | | | |
| Maintenance | - | 14 | (14) |
| Supplies | - | 9,328 | (9,328) |
| Professional Services | 15,070 | 9,387 | 5,683 |
| Miscellaneous | 49,900 | - | 49,900 |
| Capital Outlay | - | 339 | (339) |
| <i>Total Expenditures</i> | <u>64,970</u> | <u>19,068</u> | <u>45,902</u> |
| <i>Excess Revenues (Expenditures)</i> | <u>(14,970)</u> | <u>31,715</u> | <u>46,685</u> |
| <i>Other Financing Sources (Uses)</i> | | | |
| Operating Transfer In | - | - | - |
| Operating Transfer (Out) | (100) | (100) | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>(100)</u> | <u>(100)</u> | <u>-</u> |
| <i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i> | <u>\$ (15,070)</u> | <u>31,615</u> | <u>\$ 46,685</u> |
| Fund Balance - Beginning of Year | | - | |
| Fund Balance - End of Year | | <u>\$ 31,615</u> | |

See Accompanying Notes to Financial Statements

Almira Township
Fire and EMS Building Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Modified Cash Basis
For the Year Ended March 31, 2004

Schedule 7

| | <i>Budget</i> | <i>Actual</i> | <i>Favorable (Unfavorable)</i> |
|--|---------------|------------------|------------------------------------|
| <i>Revenues</i> | | | |
| Property Taxes | \$ - | \$ 109,207 | \$ 109,207 |
| Interest | - | 66 | 66 |
| Donations | - | - | - |
| Other | - | - | - |
| <i>Total Revenues</i> | - | 109,273 | 109,273 |
| <i>Expenditures</i> | | | |
| Refunds | - | - | - |
| Debt Service-Principal | - | 23,783 | (23,783) |
| Debt Service-Interest | - | 8,713 | (8,713) |
| <i>Total Expenditures</i> | - | 32,496 | (32,496) |
| <i>Excess Revenues (Expenditures)</i> | - | 76,777 | 76,777 |
| <i>Other Financing Sources (Uses)</i> | | | |
| Operating Transfer In | - | - | - |
| Operating Transfer (Out) | - | - | - |
| <i>Total Other Financing Sources (Uses)</i> | - | - | - |
| <i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i> | <u>\$ -</u> | 76,777 | <u>\$ 76,777</u> |
| Fund Balance - Beginning of Year | | - | |
| Fund Balance - End of Year | | <u>\$ 76,777</u> | |

Almira Township

Schedule 8

*Fire and EMS Building Fund**Statement of Revenues, Expenditures and Changes in Fund Balance**Modified Cash Basis**For the Year Ended March 31, 2004*

| | <i>Budget</i> | <i>Actual</i> | <i>Favorable (Unfavorable)</i> |
|--|------------------|--------------------|------------------------------------|
| <i>Revenues</i> | | | |
| Property Taxes | \$ 110,476 | \$ 9,473 | \$ (101,003) |
| Interest | - | 6,382 | 6,382 |
| Other | - | - | - |
| <i>Total Revenues</i> | <u>110,476</u> | <u>15,855</u> | <u>(94,621)</u> |
| <i>Expenditures</i> | | | |
| Professional Services | - | 64,853 | (64,853) |
| Miscellaneous | 108,267 | - | 108,267 |
| Construction | 995,000 | 948,142 | 46,858 |
| Debt Service-Principal | - | 31,002 | (31,002) |
| Debt Service-Interest | - | 12,681 | (12,681) |
| <i>Total Expenditures</i> | <u>1,103,267</u> | <u>1,056,678</u> | <u>46,589</u> |
| <i>Excess Revenues (Expenditures)</i> | <u>(992,791)</u> | <u>(1,040,823)</u> | <u>(48,032)</u> |
| <i>Other Financing Sources (Uses)</i> | | | |
| Operating Transfer In | - | - | - |
| Operating Transfer (Out) | (2,209) | (2,209) | - |
| Proceeds from Debt | 995,000 | 995,000 | - |
| <i>Total Other Financing Sources (Uses)</i> | <u>992,791</u> | <u>992,791</u> | <u>-</u> |
| <i>Excess Revenue & Other Sources Over (Under) Expenditures & Other Uses</i> | <u>\$ -</u> | <u>(48,032)</u> | <u>\$ (48,032)</u> |
| Fund Balance - Beginning of Year | | <u>100,909</u> | |
| Fund Balance - End of Year | | <u>\$ 52,877</u> | |

See Accompanying Notes to Financial Statements

Almira Township
Fiduciary Fund
Statement of Assets and Liabilities
For the Year Ended March 31, 2004

Schedule 9

| | <i>Tax Collection Fund</i> |
|--------------------------|------------------------------------|
| Assets | |
| Cash in Bank | \$ 1 |
| <i>Total Assets</i> | <u>\$ 1</u> |
| Liabilities | |
| Due to General Fund | \$ - |
| Due to Fire Fund | - |
| Due to Other Units | <u>1</u> |
| <i>Total Liabilities</i> | <u>\$ 1</u> |